

# TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 2 - 0 6 NA

2. STATE:

New Jersey

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

April 1, 2002

TO: REGIONAL ADMINISTRATOR

HEALTH CARE FINANCING ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 440.130

7. FEDERAL BUDGET IMPACT:

a. FFY 2002 \$ 2.25 million

b. FFY 2003 \$ 4.5 million

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Addendum to Attachment 3.1-A, page 13(d).10  
Attachment 4.19-B, pages 24.7 and 24.7a

\*\* See Remarks

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

New

New

New Jersey (02-06NA)

Approved: 02/27/03

Effective: 04/01/02

10. SUBJECT OF AMENDMENT:

Community Mental Health Rehabilitation Services for Adults

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Exempt, pursuant to 7.4 of the State Plan.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

*Gwendolyn L. Harris*

13. TYPED NAME:

Gwendolyn L. Harris

14. TITLE:

Commissioner

15. DATE SUBMITTED:

16. RETURN TO:

Division of Medical Assistance  
and Health Services

P.O. Box 712, mail code #26

Trenton, NJ 08625-0712

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

19. EFFECTIVE DATE OF PLAN MATERIAL:

20. TYPED NAME:

Sue Kelly

21. TITLE:

Associate Regional Administrator  
Division of Medical and State Operations

22. REMARKS:

As per State letter of 02/14/2003, the original HCFA 179 has been revised and replaced.  
New pages have also been submitted and approved.  
They are Addendum to Attachment 3.1-A page 13(d).9, Attachment 4.19-B page 24.6,  
Attachment 4.19-B page 24.7.

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
Limitations on Amount, Duration and Scope of Services  
Provided to the Categorically Needy****13(d).9 Rehabilitation Services (cont'd):****Community Mental Health Rehabilitation Services Provided in/by Community Residences Licensed by the Division of Mental Health Services**

Community mental health rehabilitation services are provided in or by community residences licensed by the Division of Mental Health Services to promote the maximum reduction of each individual's mental disability and the restoration of the individual to the best possible level of functioning. Licensed residences include group homes of 15 beds or less, supervised apartments and private residences serving up to five individuals.

Community mental health rehabilitation services include assessment and development of a comprehensive service plan, and implementation of the service plan through individual services coordination, training in daily living skills and supportive counseling. Training in daily living skills is intended to restore the individual to the individual's maximum level of independent functioning. Activities are designed to develop, strengthen, and maintain the knowledge, behaviors, and adaptive and coping skills in all areas of life, including interpersonal relationships, social interactions, and appropriate behavioral conduct needed to develop community living skills and improve or maintain the quality of life. Supportive counseling means verbal interventions that are intended to increase knowledge and skills in order to maximize clients' level of functioning necessary for community living and avoiding (re)hospitalization. Skill development is provided in areas of self care maintenance, illness self management, accessing and utilizing community resources, and social interaction.

Community mental health rehabilitation services are recommended by a licensed clinical practitioner of the healing arts, who at a minimum, is a registered nurse (RN). The services are delivered pursuant to a comprehensive service plan prepared by a treatment team. Services are provided directly by, or under the supervision of, a behavioral health professional who has, at a minimum, a bachelor's degree in a related mental health field or is an RN, and who has at least two years of experience, and who, within the scope of their practice, is authorized to provide, or supervise the provision of, services. Other clinical supervision is provided on an as needed basis, including, at a minimum, face to face visits every 60 days, or more frequently based upon significant change in the individual's condition. Direct care staff, at a minimum, must have a high school diploma or equivalent and at least four years of related work or life experience.

These services are limited to beneficiaries who are not receiving PACT services. These services are not subject to prior authorization.

**02-06-MA (NJ)**

New

TN **02-06**

FEB 27 2003

Supersedes TN **New**

APR 01 2003

**OFFICIAL**

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
Reimbursement for Community Mental Health Rehabilitation Services in/by  
Community Residences Licensed by the Division of Mental Health Services**

Reimbursement for community mental health rehabilitation services for eligible Medicaid and NJ FamilyCare-Plan A individuals is based on site-specific levels of care delivered by each provider. Licensed residences include group homes of 15 beds or less, supervised apartments and private residences serving up to five individuals. Reimbursement will be fee-for-service for each day of service or fee-for-service at a ¼ hour rate, depending on the level of care provided.

1. Level A+ means community mental health rehabilitation services available in the community residence or in a community setting 24 hours per day delivered by the provider.
2. Level A means community mental health rehabilitation services available in the community residence or in a community setting at least 12 hours per day, but less than 24 hours per day, delivered by the provider.
3. Level B means community mental health rehabilitation services provided in the community residence or in a community setting at least 4 hours per day, but less than 12 hours per day, delivered by the provider.
4. Level C means community mental health rehabilitation services provided in the community residence or in a community setting a minimum of 1 hour per week, delivered by the provider.
5. Level D means community mental health rehabilitation services available in the community residence, in residences not to exceed five residents, or in a community setting, 24 hours per day, delivered by the provider.

Levels A+, A and D are reimbursed on a per diem rate. Level B services provided to supervised apartment residents and Level C services are reimbursed on a ¼ hour basis. Level B services provided to group home residents are reimbursed on a per diem rate.

02-06-MA(NJ)

New

TN **02-06**

Supersedes TN

**New**

Effective Date FEB 27 2003

Effective Date APR 01 2002

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Attachment 4.19-B  
Page 24.7

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
Reimbursement for Community Mental Health Rehabilitation Services in/by  
Community Residences Licensed by the Division of Mental Health Services**

Fee-for-service rates for each level of care are developed based on the average cost per billable unit. The fees are all-inclusive and are based on the range of services included within the service definition. Fees will be adjusted to the extent that the State legislature or the Department provides and funds a cost-of-living adjustment for these provider agencies.

The average costs were developed from actual cost information from providers for each level of care. A one-month sample of actual allowable costs incurred during CY 2002 was used to allocate the final annual costs as reflected in the final Reports of Expenditure for contract years ending in CY 00 or 01, as adjusted by the providers' independent audits. Unallowable costs such as room, board and other non-treatment/rehabilitation costs were deducted from the actual sample period costs to arrive at the allowable costs that were used in the allocation. Those costs that were determined to be reasonable by the Department were allowed. The allowable cost information from CY 00 or CY 01 contracts was then adjusted to rate year (SFY 02 and 03) dollars to assure comparability and applicability to the rate year. The total gross adjusted allowable costs were then divided by the average volume of eligible service units to arrive at an average allowable daily or, as applicable, ¼ hour rate per unit of service.

Medicaid/NJ FamilyCare—Plan A reimbursement will not include payment for costs related to room and board related to 24 hour stays.

02-06-MA(NJ)

New

TN 02-06

FEB 27 2003

Enclosures TN

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